



CHAPTER 2

Synergies between Social Protection and Agriculture

Silvio Daidone, Natalia Winder Rossi, and Fabio Veras Soares

Despite the progress made in reducing poverty and hunger over the past few decades, an estimated 782 million people still live in extreme poverty and 815 million are undernourished (World Bank 2018; FAO et al. 2017). Hunger appears to be on the rise, affecting 11 million people, largely due to climate-related disasters and conflict. Africa south of the Sahara remains the region with the highest prevalence of undernourishment, affecting 22.7 percent of the population, especially in eastern Africa, where one-third of the population is estimated to be undernourished. Poverty and hunger are concentrated in rural areas where livelihoods, incomes, and food security depend heavily on agriculture.

Accelerating progress toward rural poverty reduction and achieving Sustainable Development Goal 1.1 require innovation and multisectoral perspectives. Prioritizing coherence between agricultural and social protection policies is a necessary component of such innovation, especially needed to enhance the productive capacity of poor and vulnerable small-scale farmers.¹ On the one hand, ensuring that agricultural interventions reach the poorest can address structural constraints to poverty reduction by increasing access to land and water resources, inputs, financial services, advisory services, adaptive technologies, and markets. This approach can potentially promote the accumulation of productive assets and favor investments that increase small-scale farmers' production and productivity, allowing (some of) them to escape poverty traps. On the other hand, social protection programs provide a minimum income level that can enhance farmers' ability to manage risks and, by providing liquidity, enable poor small-scale farmers to invest in agricultural productivity and other nonfarm income-generating opportunities. Program beneficiaries can use the social transfers to: purchase inputs and productive assets or reallocate their labor to on-farm activities; invest in human capital development; and increase participation in social networks as a result of an increase

in their creditworthiness (the regular and predictable flow of cash can work as collateral). In the event of shocks or stresses, access to predictable transfers can help protect valuable productive assets and minimize use of negative coping strategies that exacerbate vulnerabilities (Slater et al. 2016; Tirivayi, Knowles, and Davis 2016). Social protection has also been shown to enhance the capacity of small-scale farmers to invest in sustainable agricultural activities and overcome the economic barriers to adopting new climate-smart technologies and practices.

Agricultural and social protection policies originate from different disciplines and are still viewed by many as parallel policies implemented by different authorities, targeting different populations, and often competing for financial resources. Both areas are important for poverty reduction strategies and—while the coordination of social protection with agriculture is not the sole approach to achieving broad-based rural development—potential gains can be generated by systematically exploiting the synergies between the two sectors. The importance of this specific intersectoral coordination is reflected in several African policy initiatives and declarations, including the 2003 Comprehensive Africa Agriculture Development Programme (CAADP) and the 2014 Malabo Declaration on Accelerated Agricultural Growth and Transformation for Shared Prosperity and Improved Livelihoods in which, among other goals, African heads of state committed “to integrate measures for increased agricultural productivity with social protection initiatives focusing on vulnerable social groups through committing targeted budget lines within our national budgets” (AU 2014).

Cash transfers are increasingly being adopted by developing countries as central elements of their poverty reduction and social protection strategies. The expansion of cash transfer programs has been accompanied by a growing number of program evaluations, resulting in a body of evidence on the impacts on individual and household-level outcomes. Bastagli et al.

¹ With the term “small-scale farmers” we refer to crop producers, pastoralists/livestock herders, forest workers, and fishermen who manage a small area. They are characterized by family-focused motives such as favoring the stability of the farm household system, using mainly family labor for production, and using part of the produce for family consumption.

(2016) calculated that there are about 130 low- and middle-income countries that have at least one noncontributory unconditional cash transfer (UCT) program and 63 countries that have at least one conditional cash transfer (CCT) program. In many countries, cash transfers have become the main social assistance program across regions, covering millions of households, like Brazil's Bolsa Família, Mexico's Progresa/Oportunidades/Prospera, South Africa's Child Support Grant, and Ethiopia's Productive Safety Net Programme. CCTs have been hailed as a way of reducing income inequality, especially in Latin American countries where inequality is high, and helping poor households there break the intergenerational transmission of poverty while promoting child health, nutrition, and schooling (Fiszbein and Schady 2009). In Africa, countries have defined tailor-made unconditional transfers that respond to specific vulnerabilities such as food insecurity, HIV/AIDS, and climate-related risks, with strong community participation to enhance design, implementation, and accountability. Convincing evidence exists of the impacts of these programs on food security, access to services, and mitigation of the negative economic impacts of HIV/AIDS on children and their families (AU and UNICEF 2014). In addition to indirect impacts on livelihoods through human capital accumulation and improved food and nutrition security, cash transfers may also have a direct effect on household livelihoods. Hypothesizing a productive impact of cash transfers assumes that recipient households, especially those living in remote rural areas of developing countries, face significant barriers in multiple markets. Under these conditions, and assuming the non-separability of consumption and production decisions in small-scale farming households that produce a significant amount of the food they consume, an infusion of cash can alter household decision making (Singh et al. 1986). Cash provides liquidity which can allow for productive investments that alter production possibilities. This circumstance has only recently begun to receive attention in the literature on the impact of cash transfer programs (Daidone et al. 2016; Davis et al. 2016).

From a policy perspective, understanding the productive impacts of cash transfers is relevant. Governments often voice concerns about “dependency” when cash transfers are used as a social protection instrument and are sometimes skeptical as to whether a monetary transfer could induce households to transition out of poverty in the medium term and thus to “graduate” from social assistance programs. These concerns have fueled a debate about the concurrent need for promoting income-generating activities and resilience-building among poor households. These interventions are a natural complement and necessary condition for sustaining any of the impacts achieved by social protection programs, especially for assuring that the increase in human capital can be matched with better occupational prospects for younger generations in rural areas (Mariotti, Ulrichs, and Harman 2016; Curry 2017).

This chapter analyzes how the interplay of agriculture and social protection programs and policies and their coordinated implementation can create positive synergies that accelerate progress in reducing rural poverty, eliminating hunger, and building resilience and improved well-being, especially for small family farmers. After providing a conceptual framework describing the links between the two domains, we review evidence from the impact evaluation literature and discuss possible policy and programming options to promote coherence and sustainable practices for agriculture and social protection efforts.

Conceptual Framework

According to the definition recently adopted by the Inter Agency Social Protection Assessments (ISPA), social protection refers to the “set of policies and programs aimed at preventing or protecting all people against poverty, vulnerability, and social exclusion throughout their lifecycles, with a particular emphasis on vulnerable groups. Social protection can be provided in cash or in-kind, through noncontributory schemes, providing universal, categorical, or poverty-targeted benefits such as social assistance, contributory

schemes with social insurance being the most common form, and by building human capital, productive assets and access to jobs” (ISPA, n.d.).

Agricultural interventions, particularly for small family farmers, focus on improving productivity in crops, fisheries, forestry, and livestock and increasing access to markets (Tirivayi, Knowles, and Davis 2016). A recent literature review of impact evaluations broadly classifies community and smallholder-targeted agricultural interventions in the following categories: land tenancy and titling; extension (including farmer field schools); irrigation; natural resource management; input technology (chemical, seed, implements, etc.); marketing arrangements (contract farming, cropping schemes, producer organizations); financial services (microfinance, crop insurance); transfers and subsidies (cash transfers for inputs, input fairs, input subsidies); and infrastructure (IEG 2011).

To look at the coherence between social protection and agricultural interventions, we adopted the definition of coherence put forward in Gavrilovic et al. (2016, 1): “a systematic promotion of complementary and consistent policies and programs across sectors, thereby creating synergies to combat rural poverty and food insecurity more effectively. It ensures that potentially conflicting interactions between policies and programs are avoided or minimized. Coherence can be pursued horizontally across agriculture and social protection agencies and their policies, programs and operational systems, and vertically across different levels of government in order to ensure consistency between policy frameworks/objectives and their translation into programs and effective delivery on the ground.”

Coherence can take many forms. From a policy perspective, coherence entails aligning approaches to ensure that, on one hand, agriculture and broader economic inclusion dimensions are at the core of social protection strategies and, on the other, that the role of social protection for risk management, inclusivity, and addressing key gaps and constraints is fully acknowledged.

From a programmatic perspective, there are two main ways to reinforce

coherence between social protection and agricultural interventions: First, designing and adapting stand-alone social protection or agricultural programs to make them coherent with agricultural and social protection objectives, respectively. Second, combining multiple interventions so that targeted communities and/or households participate in both components either simultaneously or sequentially. This second approach can entail either aligning existing programs to maximize impacts in terms of productivity and inclusion or designing an integrated package that includes both cash transfers and productive components (see categories of combined programs provided in the next section).

Many approaches have been developed to promote coherence between agriculture and social protection at the operational level. Cash transfers are generally used as the entry point, but in other contexts productive interventions play the primary role. Recently, a cash plus (Cash+) model has been used in both development and fragile settings to promote coherence between the two domains. According to Roelen et al. (2017, 6), “Cash plus programs can be characterized as social protection interventions that provide regular transfers in combination with additional components or linkages that seek to augment income effects. This is done either by inducing further behavioral changes or by addressing supply-side constraints.” The “plus” components can be integrated into the cash transfer program or can be externally linked; these components can focus on social and/or economic dimensions. From the economic and productive perspective, Cash+ aims to maximize the impacts of cash transfer programs: the cash component of Cash+ enables beneficiary households to address their immediate basic needs and, depending on program characteristics such as size, duration, and regularity of the transfer, can allow them to invest in economic activities. The plus components of Cash+, often in the form of productive assistance and training, strengthen the economic and productive impacts of the cash component while helping to protect, restore, and develop livelihoods (FAO 2018).

Another approach used to promote coherence is the graduation model. This approach focuses on livelihood interventions that provide extremely poor households with an integrated and sequenced package of support over a short, defined time period. The package usually includes training to develop an income-generating activity, skills and business coaching, asset transfers, consumption support, and access to health information and services. A few pilots of this model have been rigorously evaluated and were shown to be sustainable and cost-effective (Banerjee et al. 2015).

To understand the impact pathways of social protection and agricultural interventions, we consider the model of agricultural households living in a context of missing or incomplete markets—synthetically described in the introduction to this chapter—for whom consumption and production decisions are not separable. We identify four plausible pathways through which social protection affects agriculture and helps achieve its objectives of reducing risks and enhancing agricultural production and, vice versa, for agricultural interventions (this paragraph heavily draws from Tirivayi, Knowles, and Davis 2016):

- *Alleviation of credit, savings, and liquidity constraints.* Social protection interventions, including unconditional and conditional cash transfers and cash-for-work programs, may reduce farmers' liquidity constraints, eventually encouraging greater risk-taking and spending on inputs (Dercon 1996). If regular and predictable, transfers can also facilitate small-scale savings or investment by serving as collateral and so enabling access to credit (Barrientos 2012). Agricultural interventions, like microfinance and input subsidies, may also alleviate the credit constraints on rural households, which prevent them from purchasing commercial inputs, and thereby contribute to greater farm productivity.
- *Certainty and risk.* Lack of insurance and exposure to shocks can drive farmers below a critical asset threshold from which recovery is not possible. In anticipation of such outcomes, poor and vulnerable

households may opt for less risky technologies and portfolios. Yet these often generate lower returns, on average, trapping farmers in persistent poverty (Rosenzweig and Binswanger 1993). In this context, social protection instruments, such as cash transfers, can affect the risk attitudes of farm household members by altering household wealth (Hennessy 1998). Similarly, agricultural interventions, such as irrigation infrastructure or weather-based crop insurance, can increase certainty and security and provide assurance of a minimum income stream to rural households.

- *Increased access to technology, knowledge, inputs, and factors of production.* The lack of technology, knowledge, inputs, and factors of production limits agricultural productivity. There are several examples of productivity-enhancing agricultural interventions that can be used to address these constraints. These include input subsidies and grants; input technology (e.g., new high-yielding varieties and fertilizer); natural resource management techniques (e.g., soil conservation practices and irrigation); land tenure reform; marketing arrangements; and macroeconomic reforms.
- *Food and nutrition security and labor productivity.* Social protection instruments such as cash transfers, public works, or school feeding programs can have a positive effect on food and nutrition security, which may in turn enhance labor productivity. In the short term, beneficiaries have greater access to sufficient, safe, and nutritious food to meet dietary needs, which improves physical strength and stamina and reduces days of work lost. In the longer term, nutrition is improved, especially *in utero* and in other sensitive periods such as early childhood and adolescence, leading to greater cognitive development and ability and thus to greater labor productivity (Steckel 1995).

Three major behavioral responses from beneficiaries of social protection

and/or agricultural interventions are relevant in this relationship: spending and risk-coping behavior, intra-household resource allocation, and local economy effects. First, households participating in agricultural and social protection interventions that provide predictable income transfers will have the flexibility and confidence to spend more on agricultural assets and avoid negative risk-coping strategies, such as distress asset sales, dropping out of school, putting children to work, and food rationing, that undermine longer-term livelihood sustainability. Second, both agricultural and social protection interventions may trigger changes in intra-household resource allocation, such as a decrease in adult labor supply, due to the income effect of the interventions, or an increase in labor supply as a result of new investments in on-farm and nonfarm ventures or better nutrition (Prifti et al. 2018). Third, behavioral responses to social protection and agricultural interventions have consequences that are felt beyond the beneficiary households, producing not only indirect effects on informal mechanisms such as social networks but also spillovers on non-beneficiaries that trigger local general equilibrium effects (Thome et al. 2016).

Existing Evidence

Some evidence of combined or synergistic effects exists for three broad categories of combined agricultural and social protection programs or interventions:²

1. Sustainable livelihoods programs (SLP)—single programs with multiple components, including both agricultural and social protection interventions.

2. Complementary programs (CP)—separate programs/interventions involving the two sectors and implemented in a coordinated manner.
3. Overlapping programs (OP)—unplanned overlap of different sectoral programs at the individual/household or geographical/community level.

Veras Soares et al. (2016) recently conducted a systematic literature review of combined social protection and agricultural programs. They were able to identify only 37 papers, book chapters, or reports published before late 2016 that rigorously assessed the impact of combined agricultural and social protection interventions.³

The meta-analysis showed that, unlike the literature on the impact of cash transfers, the evidence on the impact of combined interventions is limited and regionally concentrated. Among the challenges facing the implementation of rigorous experimental impact evaluations of combined interventions, the authors highlight the difficulty of coordinating two programs implemented by different agencies in the context of an experimental design where treatment (with different sectoral arms) and control groups cannot be mixed for a relatively long period. Thus, it is not surprising that most SLPs had an experimental design, while the majority of CPs and OPs (at least two programs) only had quasi-experimental designs.

In addition, several of the non-experimental evaluations examined in the meta-analysis based at least part of their assessment on secondary data, relying on questionnaires and/or sampling strategies meant for other purposes. The ex-post nature of these evaluations is largely due to the absence of impact evaluation planning during the design phase, particularly in the case of CPs and OPs. Synergies were particularly difficult to measure

2 Combined effects refers to the sum of the positive impacts that each program can have in isolation. Synergistic effects refers to a multiplicative impact beyond the sum of the individual effects of each program.

3 Geographically, 46 percent of the evaluations (17) examined were of programs in Asia, 30 percent (11) in Latin America, and 24 percent in Africa (9). The overrepresentation of Asian programs is largely explained by the numerous evaluations of the Challenging the Frontiers of Poverty Reduction (CFPR) program of the Bangladeshi nongovernmental organization, BRAC.

across typologies due to the absence of a pure control (non-intervention group). Apart from a few exceptions, it was not possible to disentangle the individual contribution of each social protection or agricultural component/program and of their interaction (synergies) in shaping overall program impact.

The impact evaluation literature reveals a strong association between regions and types of combined interventions. In Asia, SLP designs prevail, with a focus on livestock transfers and extension services (training) coupled with consumption support (cash transfers), coaching, and links with other social services. In Latin America, impact evaluations primarily look at CPs that combine CCT with access to extension services and rural credit. In Africa, there is a more balanced representation of combined intervention types, with CPs largely represented by public works and agricultural interventions. Bangladesh, Peru, and Ethiopia are the countries in each region where the most evaluations considered in the systematic literature review were conducted and, not surprisingly, they focus on SPLs, CPs for cash transfers, and CPs for public works (cash-for-work) interventions respectively.

In terms of outcomes, the most common indicators examined in these studies relate to income, consumption, and expenditures; a few evaluations assessed how these indicators translate into poverty reduction. Impacts on hunger and malnutrition indicators are often reported in terms of a variety of food security indicators, such as perceived food security and standard food security scores, as well as indicators of dietary diversity or frequency of meals. Only 2 of the 37 evaluations considered in the meta-analysis looked at anthropometric measurements for children. Asset-related indicators represent the second-most-common type of outcome assessed in the impact evaluations (76 percent), with a focus on productive assets, but also including durable goods. Most evaluations focus on the ownership of assets rather than on their value. Land and livestock ownership are most

commonly evaluated, largely because the programs were implemented mostly in rural areas and because livestock is highly prevalent among the assets distributed in SLPs. Moreover, in some regions, livestock is used as a form of precautionary savings in the absence of financial services. The focus on rural areas also explains the relatively large number of evaluations that either discuss program impacts in terms of direct production and productivity indicators or in terms of indirect indicators like household income sources. However, much less is known about the impact of interventions on investments in agricultural and non-agricultural inputs. Finally, the evaluations reviewed also commonly assessed indicators of savings and access to credit. Many of the interventions evaluated had components to incentivize the use of financial services, such as training in financial literacy, mandatory savings, and the formation of savings groups.

The impacts reported in the evaluations from all three categories of combined programs (SLP, OP, and CP) show promising results on most of the reported dimensions. Nuances arise with respect to broader questions. For example, the long-term implications of these combined social protection and agricultural programs is not entirely clear. The evaluations could not definitively determine how sustainable the impact of these programs would be if they were scaled up or the extent to which increased investment by beneficiary households could lead to sustained productivity and income gains. There are also open questions about program implementation and coordination. For example, a pattern seen in the implementation of such programs is that investment in productive assets and increased financial inclusion were either larger for or restricted to better-off beneficiaries. Targeting the poorest through such programs remains quite challenging, even within the context of SLPs. Further, standard agricultural extension services do not seem to be adequate or appropriate to meeting the needs of the target population of social assistance programs.

Promoting Coherence

Political Economy

Strengthening coherence between social protection and agriculture programs to ensure they contribute to the well-being of poor rural households primarily requires intervening in the enabling environment. Despite the need for coordinated efforts across different agencies and ministries, governments are not typically organized to allow for cross-sectoral collaboration. Different strategic approaches, technical competencies, organizational fragmentation, limited exchange of information, and competition for resources represent the main barriers to effective joint action.

High-level political commitment is critical in creating consensus among different stakeholders about the importance and the benefits of coherence. Support can be mobilized and achieved in various ways, for instance by building coalitions of stakeholders to develop a shared vision on how to fight rural poverty and a call to action; generating and disseminating evidence on impacts of the combined interventions on poverty reduction for policy advocacy; identifying leaders and policy champions; and leveraging regional and global commitments such as the Malabo Declaration.

Institutional Capacity

Institutional arrangements that facilitate coordination and collaboration across different government agencies are critical to ensure that policy and program formulation is properly harmonized and aligned and that interventions at the community and household levels are well implemented. Coordination and collaboration in support of coherence can be promoted in various forms, for instance by ensuring representation of agriculture and

social protection sectors in relevant coordination mechanisms (Scott and Rahman 2016; Gordillo, Sanchez Ruy and Mendez. 2016) ⁴; by harmonizing coordination mechanisms to avoid the proliferation and consequent fragmentation of actions; by engaging with institutions at decentralized levels, which provides the opportunity to build collaboration across central and subnational levels; and by developing programming guidance for staff members working on program delivery, who can facilitate the linkages across programs.

Organizing adequate and appropriate financing is central to establishing coherence. Funds should flow to jointly determined priority activities and areas. Proper budgeting based on the institutional arrangements and processes for collaboration across sectors will avoid potential competition for resources. Options for making financing supportive of coordination include: identifying the complementary roles of agriculture and social protection within cross-sectoral investment frameworks related to food security, rural development, and poverty reduction; pooling funds into basket-funding; and using incremental funding to create incentives for collaboration.

Operational Arrangements

Linkages between social protection and agriculture can be reinforced not only by working on the enabling environment but also through design and operational arrangements. Coordinated targeting is a crucial tool to promote coherence, representing “a conscious effort to select the beneficiaries of agricultural interventions and social protection programs in a way to increase the joint impact of both programs” (Cirillo, Györi, and Veras Soares 2017). Two different approaches can be used to produce synergies through targeting. First, social protection and agriculture agencies can make use

⁴ For instance, existing intersectoral coordination mechanisms—such as food security coordination committees or social protection steering committees that include government and development partners—can be strengthened by ensuring that they include adequate representation (both technical and with decision-making power) from the agricultural and social protection domains.

of the same database or targeting strategy with a view to reaching the same households and individuals. Second, the two agencies may elect to implement programs in the same geographic areas, without necessarily targeting the same households within those areas. If synergies are expected to occur at the individual level, the first approach is probably most efficient. For synergies to emerge at the individual/household level, eligibility criteria need to create a pool of households that are eligible for both programs. The use of single and/or interoperable registries can reduce the administrative costs of the targeting process and facilitate the creation of synergies by improving monitoring of a program's coverage. However, if synergies are expected to occur at the meso-level of communities or districts, the second approach would be sufficient. But challenges may arise when both types of interventions are targeted to the same households based on the geographical criterion only, and both coherence and coordination of the programs' objectives and implementation may need to be strengthened to foster synergies, as shown by the example of programs in Ethiopia (Box 2.1).

Benefits and Trade-Offs

Substantial efficiency gains and improved coherence can be achieved not only by coordinating targeting or other program features but also by replacing ineffective agricultural interventions with social protection programs and vice versa, in order to prevent market distortions and budgetary problems, and by aligning policies and programs in order to avoid unintended negative impacts. For instance, a cash transfer could be used to aid small-scale farmers' transition to different livelihoods or production of different commodities following the removal of import tariffs that protect the production of staples largely produced by the same farmers.

Depending on the stated objectives of the programs and the targeting strategy, policy makers will always face a trade-off between the goal of raising agricultural productivity and the goal of mitigating

BOX 2.1: IMPROVING COHERENCE AND GENERATING SYNERGIES BETWEEN THE PSNP AND THE OFSP/HABP IN ETHIOPIA

In 2006, about a third of the beneficiaries of the Ethiopia's Productive Safety Net Programme (PSNP), a large-scale cash-for-work program, also had access to the Other Food Security Programme (OFSP), a set of complementary agricultural interventions mostly linked to advisory services for smallholder farmers and microcredit (Gilligan, Hoddinott, and Tafesse 2009). But common geographical targeting seemed insufficient to ensure significant coverage of PSNP beneficiaries by the OFSP. The replacement of the OFSP with the Household Asset Building Programme (HABP) in 2009 addressed this issue by increasing the number of development agents responsible for extension services on the ground. In addition, the HABP enforced the priority access of PSNP beneficiaries to its services (for common targeting) and delinked credit services from extension services. This last change was important as Devereux and Sabates-Wheeler (2008) report that some PSNP beneficiaries had lost their eligibility for the PSNP after receiving credits from the OFSP to buy goats, despite the fact that the assets were not yet productive (i.e., not yet generating a flow of income) and the loan had not yet been paid. This type of fast-track graduation would prevent the fostering of synergies that the common geographical targeting was meant to produce, as there would be no time for the benefits of the two programs to reinforce each other (Cirillo, Györi, and Veras Soares 2017).

Introduction of the HABP increased the contact that PSNP beneficiaries had with development agents (extension services), who provided advice about new crops and how crops can be grown. In an impact evaluation of the combined impact of the programs, Hoddinott et al. (2012) find that access to the OFSP/HABP plus high levels of payments from the PSNP led to more fertilizer use and enhanced investments in agriculture that are likely to improve agricultural productivity among the households receiving both programs. That study also found that high levels of participation in the PSNP alone had no effect on agricultural input use or productivity and had limited impact on agricultural investments.

or reducing rural poverty by providing social assistance to poor and vulnerable households. Interventions that raise agricultural productivity lower food costs, which has positive real-income effects for poor households. Conversely, cash transfers increase food demand and create new markets for food products, with positive impacts on farmers' incomes. In the case of Malawi, Kagin et al. (2018) show that if the policy goal is to raise rural incomes and increase crop production, combining social protection with productive agricultural interventions is a more effective strategy than either intervention alone; the simulated cost-benefit ratios for cash-transfer and input-subsidy programs are always higher in the scenarios with overlapping targeting than in the non-overlapping options

Second-order effects of social protection and agricultural interventions cannot be ignored either. If an input subsidy raises the market supply of food crops and thus lowers food prices, any food producer not receiving the subsidy may suffer because market prices for food crops will fall. Policies that increase local demand for food crops, such as cash transfers, or connect producers with outside markets could alleviate this problem. Similarly, if a cash transfer pushes up food prices by raising the demand for food, households that do not receive the transfer could suffer, as such households will have to pay higher prices without the benefit of the transfer. Policies that simulate local production could alleviate these potentially negative spillovers by ensuring that increased demand created through the transfer is matched with increased production, thereby limiting price increases.

Selecting the Best Option

Selection of the best instrument or combination of instruments to generate synergies and maximize program impacts should be informed by various factors, including objectives of policy makers, national development priorities, and available resources. Further, because the productive capacity of small-scale farmers is determined by their diverse socioeconomic characteristics, both social protection and agriculture program designers must

address this heterogeneity by ensuring flexibility in the design of integrated complementary interventions. The case of Cash+ interventions is paradigmatic in this sense.

While available evidence shows that cash transfer beneficiaries invest in economic and productive activities that contribute to livelihood improvements, complementary interventions are sometimes required to maximize opportunities and impacts. It is critical to identify the most relevant and suitable intervention or combination of interventions (the “plus” component) that can maximize the impact of the cash component in a specific context, including in fragile and post-emergency contexts (not only in developmental settings). This can be done through needs assessments, context-specific livelihoods and market analyses, and analyses of local agricultural value chains and economic opportunities (FAO 2018).

Defining the best timing for the plus component based on the local agricultural calendar and seasonal patterns is also key. Cycles in agricultural production, labor markets, and food prices have important implications for the timing of interventions designed to support production and consumption. These should consider fluctuations in income and access to food across the year. For example, providing subsidized fertilizer during the planting season can relax financial constraints that prevent households from investing in productive inputs at critical times in the agricultural cycle.

When the plus component includes the transfer of inputs or assets to beneficiaries, in-kind distribution may be one option, particularly when local agricultural markets do not function well. However, where suitable, cash-based transfers may be preferred; cash transfers increase choice and flexibility for beneficiaries and are potentially more cost-effective than in-kind assistance.

The selection of the “best” plus component or coherent package should be based not only on market opportunities but also on household demographic and economic characteristics. For instance, small-scale farmers with different labor capacities require different types of support.

Poor farmers with low endowments of factors of production might require predictable social cash transfers combined with agricultural interventions that improve access to modern inputs to increase land and labor productivity. In contrast, relatively better-off farmers with sufficient productive potential may prefer or require agricultural interventions that improve access to markets. Similarly, productive support should match agro-ecological factors and food production systems. For instance, small-scale fishermen and forestry workers can be targeted by unemployment insurance and/or seasonal public works to avoid the risk of overexploiting national resources that might result, for example, in the collapse of fish stocks or deforestation.

Conclusions

Recent declarations at the global and regional levels acknowledge the role played by social protection and agriculture in fighting poverty and eliminating hunger, especially in rural areas. However, despite the attempts made in various countries to better link the two spheres, more efforts are needed to improve coherence and achieve greater benefits for the most vulnerable households.

While rapid and sustained poverty reduction primarily requires policies fostering increased total factor productivity to produce significant cumulative income gains (Pritchett 2018), programmatic interventions such as Cash+ can help maximize the impacts of cash transfer programs—including helping families to enhance human capital and risk-management capacity and increase productivity, which will allow them to move from subsistence to resilient livelihoods.

Within the context of broad rural development and economic inclusion strategies, experience in many low- and middle-income countries shows that social protection can contribute to reducing income inequality and promoting a more equitable, inclusive, and sustainable pathway to

structural transformation. Social protection programs, at a minimum, allow the poorest to access more and better food, to enhance their capacity to manage risk, and then to strengthen human capital, as well as relaxing the economic constraints faced by the poor and enabling them to invest in higher-risk/higher-returns economic activities. Linking social protection with agriculture interventions further improves technical skills and access to new technologies. Building coordination and coherence across social protection and agricultural programs from the political to the operational level can increase efficiency and effectiveness of these interventions.

While these measures are not sufficient to trigger a rapid and substantial change in households' well-being, they can certainly mitigate the most negative effects arising from the widespread out-migration from rural areas that is driven by a lack of employment and income-generating opportunities. Further, investments in policy-relevant research and communication about interventions that have a broad impact on important aspects of well-being are essential to trigger other policy actions with positive consequences, such as strengthening education and health or actions that effectively promote productivity.